

Date: 13 July 2022

Item: Customer Safety and Security Update

This paper will be considered in public

1 Summary

- 1.1 The paper provides an overview of the key elements of our important work to tackle fare evasion and ticket fraud. Fare evasion steals vital revenues from TfL and denies Londoners investment in a safe, frequent and reliable transport network.
- 1.2 Action to tackle fare evasion and ticket fraud was given a renewed focus in 2019, with the establishment of our Pan-TfL Revenue Protection Programme (RPP), reported to the Board in September 2019. The RPP is a comprehensive programme covering design, ticketing policy, communications, behaviour change, operations, assessment, and evaluation which has been informed by data and evidence of what works.
- 1.3 The RPP draws on research and insight from across Europe, and this evidence provides us with a framework to categorise types of fare evasion as accidental, calculated and chronic, with interventions tailored and targeted accordingly.
- 1.4 The RPP was paused during the pandemic while we focused on covid related priorities, ensuring our staff and customers were safe. We have reviewed and reprioritised our activities and plans to take account of changes in our operations, customer travel patterns and behaviour and our constrained financial situation. Reducing fare evasion will be challenging as we continue to re-establish ticket checking and new norms of behaviour, and the increased potential for fare evasion because of cost-of-living pressures.
- 1.5 While efforts to reduce fare evasion and other revenue loss have always been important, it has become even more critical for our recovery from the pandemic and achieving financial sustainability. Reducing fare evasion, particularly chronic fare evasion, which is blatant and anti-social, will also contribute to our work to tackle work-related violence and aggression and other transport crime and improve customer experience and confidence.

2 Recommendation

- 2.1 **The Panel is asked to note the paper.**

3 Background

- 3.1 The RPP is a comprehensive programme of interventions aimed at reducing fare evasion and ticket fraud. It has been informed by data, benchmarking, and evidence of what works in deterring, detecting, and reducing revenue loss. In the first year of the RPP, we saved £10m and were on course to deliver our medium-term target of reducing the rate of fare evasion by half by 2024, when the Coronavirus pandemic hit. This had a profound impact on both our operations and finances.
- 3.2 The programme was paused during the pandemic, while we focused on covid related priorities, ensuring our staff and customers were safe. This included revenue protection officers being deployed to focus on covid safety issues, primarily the enforcement of the legal requirement to wear face coverings on the public transport network.
- 3.3 Surveys to measure the rate of fare evasion were also paused at the beginning of the pandemic. While most surveys have restarted, the gap in data has meant that we are unable to reliably measure and calculate the current level of revenue loss because of fare evasion in a consistent manner. Re-establishing a robust and reliable method for measuring fare evasion is a key focus for us and will enable better targeting of interventions.
- 3.4 The programme recommenced in autumn 2021, following a review and reprioritisation of activities and plans, taking account of our recovery priorities: keeping staff and customers safe, changes in travel patterns and customer behaviour, and our funding situation. We estimate that new initiatives implemented last year will reduce revenue loss by a further £9.3m during 2022/23.
- 3.5 Our theoretical framework for fare evasion allows us to target interventions at different types of fare evasion. It is underpinned by principles of situational crime prevention and behaviour change theories:
 - (a) **Accidental** – For accidental fare evaders, our primary aim is to reduce mistakes. We want to ensure customers pay the lowest correct fare by making our fares system simple and easy to use. Examples include communications and behaviour change campaigns to prompt customers to pay the correct fare;
 - (b) **Calculated** – For calculated evaders, our aim is to increase risk of detection. We are doing this by making it harder for customers to avoid paying the correct fare and increasing the real and perceived risk of getting caught and sanctioned. Examples include deployment of revenue officers to hotspot locations, analysis of ticketing patterns and users 'digital footprint' to identify irregularities, and external communications to publicise action against fare evaders; and
 - (c) **Chronic** – For chronic evaders, our aim is to impede access by controlling access to our network, reducing access to fraudulent tickets, and working with our police partners.

- 3.6 A key element of our revenue protection activity has been the deployment of revenue officers to deter, detect and deal with fare evasion across all our public transport networks. There are approximately 450 officers that undertake revenue activity. Their deployments and tactics deal with accidental, calculated, and chronic fare evaders through ticket checking. For London Underground, the gates are the first line of defence and detection, and our revenue teams will engage with anyone who has triggered suspicion at our gates for example by using a high value pass, which requires a photocard. On revenue protection operations on buses, every passenger travelling is checked, and revenue blocks are used on all modes to check every passenger travelling whether at a gate line or on a carriage/vehicle.

4 Current areas of focus

Enforcement and investigations

- 4.1 Our revenue teams are deployed every day across the network providing a highly visible presence carrying out routine revenue protection activity of checking tickets. Given the higher levels of revenue loss on London Underground compared to other TfL modes – a combination of passenger volumes and higher ticket prices – we are recruiting 60 new Revenue Control Officers (RCOs) to help tackle fare evasion. All 60 are planned to be in post by the end of July 2022. This also forms a key part of our strategy to tackle work-related violence and aggression given that fare evasion is the main trigger for incidents on our public transport networks.
- 4.2 We are trialling multi-modal operations at hotspot locations across London. The operations involve the different revenue teams working across TfL and our operators and transport police deployed to a station/area covering all access points to the network. The operations are also an excellent way of raising the profile of revenue activity, improving consistency in approach across the different revenue teams as well as sharing of intelligence and best practice.
- 4.3 New analytical capability we are developing inhouse will help ensure that deployments are intelligence-led and that the combined enforcement resource is being used to maximum effect to tackle fare evasion while also contributing to other safety and security objectives.
- 4.4 An intervention made by a member of Keolis Amey Docklands (KAD) revenue staff with a customer on 10 May 2022 understandably caused concern and was not in line with our approach. TfL and KAD have apologised to the customer and explained the steps we have taken following this incident. TfL and KAD have met with the customer to discuss the incident.

Technology

- 4.5 Technology is playing an increasing role in our efforts to tackle fare evasion and is yielding excellent results. It has been used to beneficial effect already in minimising accidental fare evasion by automatically correcting errors

through our ticketing systems. It is also an increasingly important intervention in tackling calculated fare evasion.

- 4.6 Calculated fare evaders deliberately avoid paying the correct fare and include some of the most prolific and habitual offenders. We have improved our ability to detect calculated fare evasion through our irregular travel analysis platform (ITAP). ITAP is an in-house detection system that identifies fare evasion and revenue loss from patterns in ticketing and passenger data, identifying customers who avoid paying for all or part of their journey. Insight generated by ITAP supports a variety of intervention activities which aims to measure and reduce revenue loss and deter customers from evading their fares. These activities include targeted email campaigns warning customers that they must pay the correct fare, operational station deployments and a prioritised register of prolific offenders for further investigation and subsequent prosecution.
- 4.7 A specialist investigations team uses ITAP intelligence to investigate and detect the most prolific offenders causing the greatest revenue loss. From 23 March to 31 May 2022, the team investigated 65 customers for habitual fare evasion who made more than 10,000 fraudulent journeys across the Underground network, defrauding us of more than £56,000 in lost fare revenue. Of these 65 cases, 48 have been prosecuted to date and all 48 were found guilty, with the remaining 17 cases pending court action.
- 4.8 ITAP continues to be an integral part of our programme and has transformed our approach to detecting fare evasion. It is being enhanced and expanded to support other modes and other areas of the RPP. It is currently being trialled on buses to help improve the targeting of enforcement activity in areas with the greatest revenue loss. Further scoping activity is underway to understand ITAP's future capability in supporting the RPP and other safety and security objectives.
- 4.9 We are also planning to run an innovation challenge later this year where we hope to engage with technology innovators in developing solutions for reducing fare evasion on the network.

Increasing sanctions

- 4.10 Our approach to fare evasion is, in part, informed by the principles of criminal deterrence theories which focus on three main elements – certainty, severity and celerity of sanctions to deter crime and problem behaviour. While our detection activities and communication of these increase the real and perceived likelihood of getting caught, the sanction for fare evasion is another important factor in deterring customers from fare evading.
- 4.11 The penalty fare system establishes clear and immediate financial consequences for those travelling without a valid ticket. Subject to consultation and an equality impact assessment, we propose to increase the value of the TfL penalty fare from £80 to £100, reduced by half if paid within 21 days. This would bring us in line with the Department for Transport announcement that the penalty fare for the national rail network would be increased from £20 (or twice the full applicable single fare to the next station

at which the train calls, whichever was the greater) to £100. The consultation on this proposal is planned to take place later this year.

- 4.12 We are now taking stronger action against customers who have been detected for fare evasion and issued a penalty fare but have failed to pay it. Until now, customers would have been sent follow up letters for payment and their details added on to our enforcement systems should they come to our attention again. Customers who have not paid their penalty fare within 39 days and have not made us aware of any mitigating factors will be prosecuted for the original offence, this approach will bring us in line with other Train Operating Companies. This applies to penalty fare notices issued from 1 April 2022.

Offender management

- 4.13 Fare evasion is not only a financial issue that deprives Londoners of investment in improving the transport network, but it also impacts on the safety of our staff and customers and confidence to work on or use our services. Blatant fare evasion such as pushing through barriers or jumping over gate lines impacts on customer perceptions of safety and security and sends a signal that the environment is unmanaged and unsafe. Furthermore, when fare evaders are challenged, some can become aggressive and violent towards our staff. Fare evasion is also linked to other criminality on the network.
- 4.14 We are taking steps to enhance our management of known offenders on our network. This includes work to identify the most prolific and harmful fare evaders (including those that post videos on social media), and to work with police to manage their behaviour using a range of enforcement powers and tactics.

Communications

- 4.15 Central to the RPP is a communications and behaviour change strategy that aims to:
- (a) make it easier for customers to comply by providing clear and easy to understand information on fares and ticketing;
 - (b) encourages and prompts customers to pay the right fare; and
 - (c) deters calculated and chronic fare evasion by raising awareness of the risks of getting caught.
- 4.16 We are reviewing our communications approach, which includes liaising with other urban transport providers to understand what works in tackling fare evasion.

Financial Implications

- 4.17 Tackling fare evasion will reduce revenue loss and will have a direct impact on TfL's finances. Our current focus is on funded and cost neutral initiatives.

We expect to save more than £9m in reduced revenue loss this year. We have paused some new initiatives until there is more reliable survey data to inform cost, benefits and impact.

- 4.18 Business cases will be developed for the expansion of ITAP and signage costs associated with the penalty fare increase if that is agreed.

List of appendices to this report:

Appendix 1: Six month Crime and Anti-Social Behaviour Report

List of Background Papers:

None

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